



## Senate

General Assembly

**File No. 90**

February Session, 2018

Substitute Senate Bill No. 175

*Senate, March 28, 2018*

The Committee on Government Administration and Elections reported through SEN. FLEXER of the 29th Dist. and SEN. MCLACHLAN, M. of the 24th Dist., Chairpersons of the Committee on the part of the Senate, that the substitute bill ought to pass.

### **AN ACT IMPLEMENTING THE RECOMMENDATIONS OF THE AUDITORS OF PUBLIC ACCOUNTS.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (e) of section 2-90 of the 2018 supplement to  
2 the general statutes is repealed and the following is substituted in lieu  
3 thereof (*Effective from passage*):

4 (e) (1) If the Auditors of Public Accounts discover, or if it should  
5 come to their knowledge, that any unauthorized, illegal, irregular or  
6 unsafe handling or expenditure of state funds or quasi-public agency  
7 funds or any breakdown in the safekeeping of any resources of the  
8 state or a quasi-public agency has occurred or is contemplated, they  
9 shall forthwith [present] report the facts to the Governor, the State  
10 Comptroller, the clerk of each house of the General Assembly and the  
11 Attorney General, [.] except that if a matter reported to the Auditors of  
12 Public Accounts pursuant to section 4-33a, as amended by this act, is

13 still under investigation by a state or quasi-public agency, the Auditors  
14 of Public Accounts may give the agency a reasonable amount of time  
15 to conduct such investigation prior to the auditors reporting the matter  
16 to said officials. (2) If the Auditors of Public Accounts decide to delay  
17 reporting such matter in accordance with subdivision (1) of this  
18 subsection, the auditors shall immediately notify the Attorney General  
19 of such decision. (3) Any Auditor of Public Accounts neglecting to  
20 make [such a] the report required under subdivision (1) of this  
21 subsection, or any agent of the auditors neglecting to report to the  
22 Auditors of Public Accounts any such matter discovered by [him] such  
23 agent or coming to [his] such agent's knowledge, shall be fined not  
24 more than one hundred dollars or imprisoned not more than six  
25 months, or both.

26 Sec. 2. Section 4-33a of the general statutes is repealed and the  
27 following is substituted in lieu thereof (*Effective October 1, 2018*):

28 All boards of trustees of state institutions, state department heads,  
29 boards, commissions, other state agencies responsible for state  
30 property and funds and quasi-public agencies, as defined in section 1-  
31 120, shall promptly notify the Auditors of Public Accounts and the  
32 Comptroller of any (1) unauthorized, illegal, irregular or unsafe  
33 handling or expenditure of state or quasi-public agency funds, [or] (2)  
34 breakdowns in the safekeeping of any other resources of the state or  
35 quasi-public agencies, (3) breach of security, as defined in section 36a-  
36 701b, or (4) contemplated action to [do the same] commit one of the  
37 acts listed in subdivisions (1) to (3), inclusive, of this section within  
38 their knowledge. In the case of such notification to the Auditors of  
39 Public Accounts, the auditors may permit aggregate reporting in a  
40 manner and at a schedule determined by the auditors.

41 Sec. 3. Section 1-101pp of the general statutes is repealed and the  
42 following is substituted in lieu thereof (*Effective October 1, 2018*):

43 Any commissioner, deputy commissioner, state agency or quasi-  
44 public agency head or deputy, or person in charge of state agency  
45 procurement, [and] contracting or human resources, who has

46 reasonable cause to believe that a person has violated the provisions of  
47 the Code of Ethics for Public Officials set forth in part I of this chapter  
48 or any law or regulation concerning ethics in state contracting shall  
49 report such belief to the Office of State Ethics, which may further  
50 report such information to the [Auditor] Auditors of Public Accounts,  
51 the Chief State's Attorney or the Attorney General.

52 Sec. 4. Subdivision (8) of section 4-37f of the general statutes is  
53 repealed and the following is substituted in lieu thereof (*Effective*  
54 *October 1, 2018*):

55 (8) A foundation which has in any of its fiscal years receipts and  
56 earnings from investments totaling [one] two hundred fifty thousand  
57 dollars per fiscal year or more, or a foundation established for the  
58 principal purpose of coordinated emergency recovery that operated in  
59 response to an eligible incident, as defined in section 4-37r, during the  
60 fiscal year or with funds that exceeded [one] two hundred fifty  
61 thousand dollars in the aggregate, shall have completed on its behalf  
62 for such fiscal year a full audit of the books and accounts of the  
63 foundation. A foundation which has receipts and earnings from  
64 investments totaling less than [one] two hundred fifty thousand  
65 dollars in each fiscal year during any three of its consecutive fiscal  
66 years beginning October 1, [1986] 2018, shall have completed on its  
67 behalf for the third fiscal year in any such three-year period a full audit  
68 of the books and accounts of the foundation, unless such foundation  
69 was established for the principal purpose of coordinated emergency  
70 recovery and had completed on its behalf such an audit for any year in  
71 any such three-year period. For each fiscal year in which an audit is  
72 not required pursuant to this subdivision financial statements shall be  
73 provided by the foundation to the executive authority of the state  
74 agency. Each audit under this subdivision shall be (A) conducted [(A)]  
75 by an independent certified public accountant or, if requested by the  
76 state agency with the consent of the foundation, the Auditors of Public  
77 Accounts, [and] (B) conducted in accordance with generally accepted  
78 auditing standards, and (C) completed, and a copy of such audit  
79 submitted, in accordance with this section, not later than six months

80 after the end of the applicable fiscal year. The auditor shall submit (i) a  
81 report that includes an opinion regarding the financial statements and  
82 a management letter, and (ii) a report that includes an opinion on  
83 conformance of the operating procedures of the foundation with the  
84 provisions of sections 4-37e to 4-37i, inclusive, and recommendations  
85 for any corrective actions needed to ensure such conformance. Each  
86 audit report shall disclose the receipt or use by the foundation of any  
87 public funds in violation of said sections or any other provision of the  
88 general statutes. The foundation shall provide a copy of each audit  
89 report completed pursuant to this subdivision to the executive  
90 authority of the state agency and the Attorney General. Each financial  
91 statement required under this subdivision shall include, for the fiscal  
92 year to which the statement applies, the total receipts and earnings  
93 from investments of the foundation and the amount and purpose of  
94 each receipt of funds by the state agency from the foundation. As used  
95 in this subdivision, "fiscal year" means any twelve-month period  
96 adopted by a foundation as its accounting year;

97 Sec. 5. Subsection (b) of section 4-37g of the general statutes is  
98 repealed and the following is substituted in lieu thereof (*Effective*  
99 *October 1, 2018*):

100 (b) In the case of an audit required pursuant to section 4-37f, as  
101 amended by this act, that was not conducted by the Auditors of Public  
102 Accounts, the executive authority and chief financial official of the  
103 state agency shall review the audit report received pursuant to said  
104 section and, upon such review, the executive authority shall sign a  
105 letter indicating that he has reviewed the audit report and transmit a  
106 copy of the letter and report to the Auditors of Public Accounts. If such  
107 audit report indicates that (1) funds for deposit and retention in state  
108 accounts have been deposited and retained in foundation accounts or  
109 (2) state funds, personnel, services or facilities may have been used in  
110 violation of sections 4-37e to 4-37i, inclusive, or any other provision of  
111 the general statutes, the Auditors of Public Accounts may conduct a  
112 full audit of the books and accounts of the foundation pertaining to  
113 such funds, personnel, services or facilities, in accordance with the

114 provisions of section 2-90, as amended by this act. For the purposes of  
115 such audit, the Auditors of Public Accounts shall have access to the  
116 working papers compiled by the certified public accountant in the  
117 preparation of the audit conducted pursuant to section 4-37f, as  
118 amended by this act, which are relevant to such use of state funds,  
119 personnel, services or facilities in violation of the provisions of sections  
120 4-37e to 4-37i, inclusive, or any other provision of the general statutes.  
121 If the audit required pursuant to section 4-37f, as amended by this act,  
122 was not conducted, the Auditors of Public Accounts may conduct a  
123 full audit of the books and accounts of the foundation, in accordance  
124 with the provisions of section 2-90, as amended by this act.

125 Sec. 6. Section 2-90b of the general statutes is repealed and the  
126 following is substituted in lieu thereof (*Effective from passage*):

127 The Auditors of Public Accounts shall [annually] biennially conduct  
128 an audit of reimbursements made from the Bradley Enterprise Fund to  
129 the Department of Emergency Services and Public Protection to cover  
130 the cost of Troop W operations carried out in accordance with the  
131 memorandum of understanding between the Department of  
132 Emergency Services and Public Protection and the Department of  
133 Transportation.

134 Sec. 7. Subsection (a) of section 1-123 of the 2018 supplement to the  
135 general statutes is repealed and the following is substituted in lieu  
136 thereof (*Effective from passage*):

137 (a) The board of directors of each quasi-public agency shall annually  
138 submit a report to the Governor and the Auditors of Public Accounts.  
139 Such report shall include, but need not be limited to, the following: (1)  
140 A list of all bond issues for the preceding fiscal year, including, for  
141 each such issue, the financial advisor and underwriters, whether the  
142 issue was competitive, negotiated or privately placed, and the issue's  
143 face value and net proceeds; (2) a list of all projects other than those  
144 pertaining to owner-occupied housing or student loans receiving  
145 financial assistance during the preceding fiscal year, including each  
146 project's purpose, location, and the amount of funds provided by the

147 agency; (3) a list of all outside individuals and firms receiving in excess  
148 of five thousand dollars in the form of loans, grants or payments for  
149 services, except for individuals receiving loans for owner-occupied  
150 housing and education; (4) a [balance sheet showing all revenues and  
151 expenditures] complete set of financial statements; (5) the cumulative  
152 value of all bonds issued, the value of outstanding bonds, and the  
153 amount of the state's contingent liability; (6) the affirmative action  
154 policy statement, a description of the composition of the agency's work  
155 force by race, sex, and occupation and a description of the agency's  
156 affirmative action efforts; and (7) a description of planned activities for  
157 the current fiscal year.

158       Sec. 8. (NEW) (*Effective October 1, 2018*) (a) For the purposes of this  
159 section, "state agency" means any department, board, council,  
160 commission, institution or other executive branch agency of state  
161 government, including, but not limited to, each constituent unit and  
162 each public institution of higher education. On and after October 1,  
163 2018, no state agency shall make a payment to an employee resigning  
164 or retiring from employment with such state agency for the purposes  
165 of avoiding costs associated with potential litigation or pursuant to a  
166 nondisparagement agreement unless such payment is made pursuant  
167 to (1) a settlement agreement entered into by the Attorney General on  
168 behalf of the state agency, or (2) an authorization by the Governor  
169 pursuant to section 3-7 of the general statutes.

170       (b) No settlement agreement or nondisparagement agreement, as  
171 described in subsection (a) of this section, may prohibit an employee  
172 from making a complaint or providing information in accordance with  
173 section 4-61dd or sections 4-276 to 4-280, inclusive, of the general  
174 statutes.

175       Sec. 9. Section 4-215 of the general statutes is repealed and the  
176 following is substituted in lieu thereof (*Effective October 1, 2018*):

177       (a) Each personal service agreement executed on or after July 1,  
178 1994, and having a cost of more than twenty thousand dollars but not  
179 more than fifty thousand dollars and a term of not more than one year

180 shall be based on competitive negotiation or competitive quotations,  
181 unless the state agency purchasing the personal services determines  
182 that a sole source purchase is required and applies to the secretary for  
183 a waiver from such requirement and the secretary grants the waiver.  
184 Not later than March 1, 1994, the secretary shall adopt guidelines for  
185 determining the types of services that may qualify for such waivers.  
186 The qualifying services shall include, but not be limited to, (1) services  
187 for which the cost to the state of a competitive selection procedure  
188 would outweigh the benefits of such procedure, as documented by the  
189 state agency, (2) proprietary services, (3) services to be provided by a  
190 contractor mandated by the general statutes or a public or special act,  
191 and (4) emergency services, including services needed for the  
192 protection of life or health.

193 (b) The secretary shall immediately notify the Auditors of Public  
194 Accounts of any application that the secretary receives for approval of  
195 a sole source purchase of audit services and give the auditors the  
196 opportunity to review the application to advise the secretary as to  
197 whether such services are necessary and, if so, whether such services  
198 could be provided by said auditors.

199 Sec. 10. Subsection (k) of section 38a-660 of the general statutes is  
200 repealed and the following is substituted in lieu thereof (*Effective July*  
201 *1, 2018*):

202 (k) (1) To further the enforcement of this section and sections 38a-  
203 660b to 38a-660m, inclusive, and to determine the eligibility of any  
204 licensee, the commissioner may, as often as the commissioner deems  
205 necessary, examine the books and records of any such licensee. Each  
206 person licensed as a surety bail bond agent in this state shall, on or  
207 before January thirty-first, annually, pay to the commissioner a fee of  
208 four hundred fifty dollars to cover the cost of examinations under this  
209 subsection.

210 (2) The fees received by the commissioner pursuant to subdivision  
211 (1) of this subsection shall be dedicated to conducting the examinations  
212 under said subdivision (1) and shall be deposited in the account

213 established under subdivision (3) of this subsection.

214 (3) There is established an account to be known as the "surety bail  
215 bond agent examination account", which shall be a separate [,  
216 nonlapsing] account within the Insurance Fund established under  
217 section 38a-52a. The account shall contain any moneys required by law  
218 to be deposited in the account and any such moneys remaining in the  
219 account at the close of the fiscal year shall be transferred to the General  
220 Fund.

221 Sec. 11. Section 32-605 of the general statutes is repealed and the  
222 following is substituted in lieu thereof (*Effective from passage*):

223 (a) In lieu of the report required under section 1-123, as amended by  
224 this act, within the first ninety days of each fiscal year of the Capital  
225 Region Development Authority, the board of directors of the authority  
226 shall submit a report to the Governor, the Auditors of Public Accounts  
227 and the joint standing committee of the General Assembly having  
228 cognizance of matters relating to finance, revenue and bonding. Such  
229 report shall include, but not be limited to, the following: (1) A list of all  
230 bonds issued during the preceding fiscal year, including, for each such  
231 issue, the financial advisor and underwriters, whether the issue was  
232 competitive, negotiated or privately placed, and the issue's face value  
233 and net proceeds; (2) a description of the capital city project or any  
234 economic development project in the capital region in which the  
235 authority is involved, its location and the amount of funds, if any,  
236 provided by the authority with respect to the construction of such  
237 project; (3) a list of all outside individuals and firms, including  
238 principal and other major stockholders, receiving in excess of five  
239 thousand dollars as payments for services; (4) a comprehensive annual  
240 financial report prepared in accordance with generally accepted  
241 accounting principles for governmental enterprises; (5) the cumulative  
242 value of all bonds issued, the value of outstanding bonds and the  
243 amount of the state's contingent liability; (6) the affirmative action  
244 policy statement, a description of the composition of the work force of  
245 the authority by race, sex and occupation and a description of the



246 affirmative action efforts of the authority; (7) a description of planned  
247 activities for the current fiscal year; (8) a list of all private investments  
248 made or committed for commercial development within the capital  
249 city economic development district; and (9) an analysis of the  
250 authority's success in achieving the purposes stated in section 32-602.

251 [(b) The board of directors of the authority shall annually contract  
252 with a person, firm or corporation for a compliance audit of the  
253 authority's activities during the preceding authority fiscal year. The  
254 audit shall determine whether the authority has complied with its  
255 regulations concerning affirmative action, personnel practices, the  
256 purchase of goods and services and the use of surplus funds. The  
257 board shall submit the audit report to the Governor, the Auditors of  
258 Public Accounts and the joint standing committee of the General  
259 Assembly having cognizance of matters relating to finance, revenue  
260 and bonding.]

261 [(c)] (b) The board of directors of the authority shall annually  
262 contract with a firm of certified public accountants to undertake an  
263 independent financial audit of the authority in accordance with  
264 generally accepted auditing standards. The board shall submit the  
265 audit report to the Governor, the Auditors of Public Accounts and the  
266 joint standing committee of the General Assembly having cognizance  
267 of matters relating to finance, revenue and bonding.

268 [(d)] (c) The authority shall designate a contract compliance officer  
269 from the staff of the authority to monitor compliance of the operations  
270 of facilities under the management or control of the authority, the  
271 convention center, convention center hotel and related parking  
272 facilities of the center and the hotel, with the provisions of state law  
273 applicable to such operations, including, but not limited to, this section  
274 and sections 32-650 to 32-668, inclusive, and with applicable  
275 requirements of contracts entered into by the authority, relating to set-  
276 asides for small contractors and minority business enterprises and  
277 required efforts to hire available and qualified members of minorities,  
278 as defined in section 32-9n, and available and qualified residents of the

279 city of Hartford for jobs in such operations. Such officer shall file, each  
280 year during the period of facility operations, a written report with the  
281 authority as to findings and recommendations regarding such  
282 compliance.

283 Sec. 12. Section 32-651 of the general statutes is repealed and the  
284 following is substituted in lieu thereof (*Effective from passage*):

285 As used in sections 32-650 to 32-668, inclusive, sections 39 and 40 of  
286 public act 98-1 of the December special session, as amended by public  
287 act 99-241 and public act 00-140, and subsection [(d)] (c) of section 32-  
288 605, as amended by this act:

289 (1) "Adriaen's Landing site" means the area of approximately thirty-  
290 three acres of land within the capital city economic development  
291 district designated in the master development plan as the location of  
292 the convention center, the related parking facilities and the on-site  
293 related private development.

294 (2) "Bonds" means the bonds authorized to be issued and sold by the  
295 state pursuant to sections 32-652 and 32-653, and, unless the context  
296 requires a different meaning, shall include serial, term or variable rate  
297 bonds, notes issued in anticipation of the issuance of bonds, and  
298 temporary or interim notes or notes issued pursuant to a commercial  
299 paper program.

300 (3) "Capital city economic development district" has the meaning  
301 assigned to that term in section 32-600.

302 (4) "Comptroller" means the State Comptroller or the deputy  
303 comptroller appointed pursuant to section 3-133.

304 (5) "Convention center" has the meaning assigned to that term in  
305 section 32-600.

306 (6) "Convention center project" has the meaning assigned to that  
307 term in section 32-600.

308       (7) "Convention center hotel" has the meaning assigned to that term  
309 in section 32-600.

310       (8) "Costs of issuance" means all costs related to the proceedings  
311 under which bonds are issued pursuant to sections 32-652 and 32-653,  
312 including, but not limited to, fees and expenses or other similar  
313 charges incurred in connection with the execution of reimbursement  
314 agreements, remarketing agreements, standby bond purchase  
315 agreements, agreements in connection with obtaining any liquidity  
316 facility or credit facility with respect to such bonds, trust agreements  
317 respecting disbursement of bond proceeds and any other necessary or  
318 appropriate agreements related to the marketing and issuance of such  
319 bonds and the disbursement of the bond proceeds, auditing and legal  
320 expenses and fees, expenses incurred for professional consultants,  
321 financial advisors and fiduciaries, fees and expenses of remarketing  
322 agents and dealers, fees and expenses of the underwriters to the extent  
323 not paid from a discount on the purchase price of such bonds, and fees  
324 and expenses of rating agencies, transfer or information agents, and  
325 including costs of the publication of advertisements and notices,  
326 printers' fees or charges incurred by the state to comply with  
327 applicable federal and state securities or tax laws and any other similar  
328 costs of issuance.

329       (9) "Design professional" means each duly licensed architect,  
330 engineer or other design professional experienced in the design of  
331 comparable facilities and related improvements retained by the  
332 secretary from time to time to prepare plans and specifications and  
333 perform related professional services in connection with the overall  
334 project and related development activities.

335       (10) "Stadium facility manager" means each nongovernmental  
336 service provider engaged by the secretary to provide overall  
337 management services with respect to all or a portion of the stadium  
338 facility.

339       (11) "Stadium facility operations" means all activities related to the  
340 use, management and operation of the stadium facility including,

341 without limitation, maintenance and repairs, purchases of supplies, the  
342 addition or replacement of furniture, fixtures and equipment, safety  
343 and security, crowd and traffic control, ticket and premium seating  
344 promotion and sales, ticketing and box office operations, event  
345 booking, scheduling and promotion, event operations, stadium  
346 parking management, marketing, promotion and public relations,  
347 advertising sales, media and broadcast activities and merchandising,  
348 catering and concessions.

349 (12) "GMP" means guaranteed maximum price.

350 (13) "Governmental authorities" means all federal, state or local  
351 governmental bodies, instrumentalities or agencies and all political  
352 subdivisions of the state, including municipalities, taxing, fire and  
353 water districts and other governmental units.

354 (14) "Governmental permits" means all permits, authorizations,  
355 registrations, consents, approvals, waivers, exceptions, variances,  
356 orders, judgments, decrees, licenses, exemptions, publications, filings,  
357 notices to and declarations of or with, or required by, governmental  
358 authorities, including those relating to traffic, environmental  
359 protection, wetlands, zoning, site approval, building and public health  
360 and safety, that are required for the development and operation of any  
361 project or facility.

362 (15) "Stadium facility capital replacement account" means the capital  
363 replacement reserve account within the Stadium Facility Enterprise  
364 Fund established by section 32-657.

365 (16) "Stadium Facility Enterprise Fund" means the separate fund  
366 established by section 32-657.

367 (17) "Infrastructure improvements" means necessary or desirable  
368 infrastructure improvements relating to the convention center, the  
369 stadium facility, the related parking facilities or the on-site related  
370 private development, as the case may be, including, but not limited to,  
371 structures over roads and highways, roadway improvements,

372 pedestrian improvements, landscaped plazas, piers, foundations and  
373 other structural work on the Adriaen's Landing site or the stadium  
374 facility site or off-site as determined by the secretary to be necessary or  
375 desirable in connection with the development of the Adriaen's Landing  
376 site or the stadium facility site, and whether undertaken by the  
377 secretary or any other agency, department or public instrumentality of  
378 the state, as more particularly described in the master development  
379 plan.

380 (18) "Internal Revenue Code" means the Internal Revenue Code of  
381 1986, or any subsequent corresponding internal revenue code of the  
382 United States, as from time to time amended, and regulations adopted  
383 thereunder.

384 (19) "Master development plan" means the master development  
385 plan for the overall project and the on-site related private development  
386 prepared by the secretary and the authority with the assistance of the  
387 design professional, in the form filed with the clerks of the Senate and  
388 the House of Representatives on March 3, 2000, as modified by the  
389 secretary after May 2, 2000, in accordance with the provisions of  
390 section 32-655b, as amended by this act.

391 (20) "NCAA" means the National Collegiate Athletic Association or  
392 its successor.

393 (21) "On-site related private development" means the convention  
394 center hotel and the other housing, entertainment, recreation, retail  
395 and office development on the Adriaen's Landing site contemplated by  
396 the master development plan. "On-site related private development"  
397 includes the second phase of the convention center hotel as described  
398 in the master development plan but excludes any other addition to, or  
399 any expansion, demolition, conversion or other modification of, any  
400 such on-site related private development unless the secretary certifies  
401 in the secretary's discretion that such addition, expansion, demolition,  
402 conversion or other modification is being undertaken by agreement  
403 with the secretary in furtherance of the objectives of the master  
404 development plan.

405       (22) "Overall project" means the convention center project, the  
406 stadium facility project and the parking project, or one or more of the  
407 foregoing as more particularly described in the master development  
408 plan, including all related planning, feasibility, environmental testing  
409 and assessment, permitting, engineering, technical and other necessary  
410 development activities, including site acquisition, site preparation and  
411 infrastructure improvements. As used in sections 32-664, 32-665 and  
412 32-668, and subdivision (1) of section 12-412, subsection (a) of section  
413 12-498 and subdivision (1) of section 22a-134, and section 32-617a,  
414 "overall project" also includes the development, design, construction,  
415 finishing, furnishing and equipping of the on-site related private  
416 development.

417       (23) "Parking project" means the development, design, construction,  
418 finishing, furnishing and equipping of the related parking facilities  
419 and related site acquisition and site preparation.

420       (24) "Preliminary costs" means the costs of the state or the authority,  
421 as the case may be, relating to planning, preliminary design, feasibility  
422 and permitting of the overall project, whether incurred prior to or  
423 following July 1, 1999, including, but not limited to, costs of plans,  
424 including plans with respect to alternative or prior designs, budgeting,  
425 borings, surveys, maps, title examinations, environmental testing,  
426 environmental impact evaluations, appraisals, documentation of  
427 estimates of costs and revenue increments to the state or the authority  
428 in connection with the overall project and the permitting thereof,  
429 including feasibility studies, market and impact analysis, preliminary  
430 design costs and costs incidental to investigations, preparation and  
431 processing of permit applications and preparation and analysis of any  
432 proposed agreement, lease or memorandum of understanding with  
433 respect to the overall project, including, but not limited to, the fees and  
434 expenses of professional, management and technical consultants, and  
435 financial and legal advisors, and the reimbursement to any state  
436 agency or department, public authority, political subdivision or  
437 private entity which has advanced or advances funds for the payment  
438 of any such preliminary costs, provided that in the case of any such

439 private entity such advancement was or is at the request of or with the  
440 approval of the state as certified by the secretary and would qualify as  
441 a preliminary cost if incurred directly by the state or the Capital  
442 Region Development Authority.

443 (25) "Prime construction contractor" means each general contractor,  
444 construction manager or other construction professional with primary  
445 responsibility for construction activities with respect to the stadium  
446 facility, the convention center, the related parking facilities or any  
447 aspect of the on-site related private development, as the case may be.

448 (26) "Project costs" means and includes all hard and soft costs  
449 relating to the overall project, or, in context, any aspect thereof,  
450 including, but not limited to, preliminary costs, costs of site  
451 acquisition, site preparation and infrastructure improvements,  
452 relocation costs, including costs related to interim parking  
453 arrangements, costs of issuance, costs of labor and materials employed  
454 in the work, fees for project and construction management services,  
455 including incentive payments related to timely completion of  
456 improvements at or under budget, costs of insurance, including title  
457 insurance, the establishment of appropriate reserve funds in  
458 connection with the financing of any aspect of the overall project, and  
459 costs of accounting, legal, architectural, environmental, permitting,  
460 engineering, management, financial and other professional and  
461 technical services.

462 (27) "Project manager" means the development professional selected  
463 to supervise and coordinate the development of the Adriaen's Landing  
464 site on behalf of the secretary and the authority.

465 (28) "Real property" means land and buildings and all estate,  
466 interest or right in land or buildings, including land or buildings  
467 owned by any person, the state or any political subdivision of the state  
468 or instrumentality thereof and including any and all easements, rights  
469 of way, air rights and every estate, right or interest therein.

470 (29) "Related parking facilities" means parking structures, facilities

471 or improvements which are necessary or desirable to provide parking  
472 for the convention center, the convention center hotel and other on-site  
473 related private development, which related parking facilities may also  
474 satisfy other public and private parking requirements within the  
475 capital city economic development district, or to replace currently  
476 available parking which may be displaced by the overall project, other  
477 than the stadium facility project, or the on-site related private  
478 development, together with equipment, fixtures, furnishings and  
479 appurtenances integral and normally associated with the construction  
480 and operation of parking facilities, and ancillary infrastructure  
481 improvements, all as more particularly described in the master  
482 development plan.

483 (30) "Related private development" means privately developed  
484 facilities or projects located within the capital city economic  
485 development district and associated with the convention center,  
486 including the hotel to be developed in conjunction with the convention  
487 center and such other privately developed facilities or projects, which  
488 may include housing, hotel, retail, entertainment, recreation, office or  
489 parking facilities or projects, including privately developed or financed  
490 improvements related to the convention center or such facilities or  
491 projects, as contemplated by the master development plan. For  
492 purposes of this subdivision, the term "associated" means functionally  
493 and economically related to the convention center as part of an  
494 integrated effort to develop and revitalize the urban core of the city of  
495 Hartford as an attractive destination for visitors and location for new  
496 businesses and residents.

497 (31) "Secretary" means the Secretary of the Office of Policy and  
498 Management or the secretary's designee.

499 (32) "Site acquisition" means the acquisition of real property, by  
500 condemnation, purchase, lease, lease-purchase, exchange or otherwise,  
501 comprising the Adriaen's Landing site and the stadium facility site,  
502 and includes the acquisition of other real property determined by the  
503 secretary to be necessary for off-site infrastructure improvements



504 related to the development of the Adriaen's Landing site or the  
505 stadium facility site or for temporary use for construction staging or  
506 replacement parking during the period of construction, and the  
507 exchange or lease, as lessor or lessee, by the secretary or any other  
508 agency, department or public instrumentality of the state, of off-site  
509 real property to the extent determined by the secretary to be necessary  
510 to acquire real property comprising the Adriaen's Landing site, but  
511 excludes the acquisition or development by any private party of real  
512 property or improvements not on the Adriaen's Landing site.

513 (33) "Site preparation" means the removal and relocation of utilities,  
514 including electricity, gas, steam, water and sewer, the installation and  
515 connection of additional required utilities, the construction of  
516 necessary drainage facilities, the demolition of existing improvements  
517 and the removal, containment or other remediation of any hazardous  
518 materials and the restoration and compacting of soil, whether  
519 undertaken by the secretary or any other agency, department or public  
520 instrumentality of the state, all on the Adriaen's Landing site, the  
521 stadium facility site, and on other sites where site preparation is  
522 necessary for the development of the Adriaen's Landing site and the  
523 stadium facility site as contemplated by the master development plan  
524 or for the continuation of a public service facility, as defined in section  
525 32-658, or utility operations.

526 (34) "Stadium facility" means a multipurpose sports stadium with a  
527 minimum of approximately forty thousand seats and with capacity for  
528 expansion to a minimum of approximately fifty thousand seats,  
529 meeting all applicable requirements for home team facilities for  
530 Division I-A football of the NCAA and the college football conference  
531 of which the university is expected to be a member, including seating  
532 capacity, size and composition of playing surface, locker room and  
533 media facilities and other amenities, to be owned by the state on the  
534 stadium facility site, together with equipment, fixtures, furnishings  
535 and appurtenances integral and normally associated with the  
536 construction and operation of such a facility, stadium parking and  
537 ancillary infrastructure improvements, all as more particularly

538 described in the master development plan.

539 (35) "Stadium facility project" means the development, design  
540 construction, finishing, furnishing and equipping of the stadium  
541 facility and related site acquisition and site preparation.

542 (36) "Stadium facility site" means the real property located at  
543 Rentschler Field in the town of East Hartford designated for such  
544 purpose in the master development plan.

545 (37) "Stadium parking" means improvements, facilities and other  
546 arrangements for parking for stadium facility operations and events,  
547 including license, lease or other parking use agreements.

548 (38) "State" means the state of Connecticut.

549 (39) "State Bond Commission" means the commission established  
550 pursuant to subsection (c) of section 3-20 or any successor thereto.

551 (40) "Treasurer" means the State Treasurer or the deputy treasurer  
552 appointed pursuant to section 3-12.

553 (41) "University" means The University of Connecticut, a constituent  
554 unit of the state system of public higher education.

555 (42) "Work" means the provision of any or all of the work, labor,  
556 materials, equipment, services and other items required for a project  
557 including, but not limited to, design, architectural, engineering,  
558 development and other technical and professional services,  
559 construction and construction management services, permits,  
560 construction work and any and all other activities and services  
561 necessary to acquire, design, develop, construct, finish, furnish or  
562 equip any project.

563 (43) "Connecticut Center for Science and Exploration" means the  
564 science center facility constructed and operated in the Adriaen's  
565 Landing site.

566 Sec. 13. Subdivision (14) of subsection (a) of section 32-655 of the

567 general statutes is repealed and the following is substituted in lieu  
568 thereof (*Effective from passage*):

569 (14) Pay or reimburse the Office of Policy and Management, the  
570 authority, the university and other affected state agencies and political  
571 subdivisions of the state and any third parties incurring such costs at  
572 the request or with the approval of the state as certified by the  
573 secretary, for project costs of the overall project including, without  
574 limitation, preliminary costs arising prior to July 1, 1999, or costs under  
575 subsection [(d)] (c) of section 32-605, as amended by this act, or  
576 sections 32-654, 32-654a, 32-655a, 32-655b, as amended by this act, and  
577 32-666a; and

578 Sec. 14. Subsection (c) of section 32-655 of the general statutes is  
579 repealed and the following is substituted in lieu thereof (*Effective from*  
580 *passage*):

581 (c) The secretary shall designate a stadium facility operations  
582 contract compliance officer from the Office of Policy and Management  
583 to monitor compliance of the stadium facility operations with the  
584 provisions of state law applicable to such operations, including, but  
585 not limited to, subsection [(e)] (c) of section 32-605, as amended by this  
586 act, and sections 32-650 to 32-668, inclusive, and with applicable  
587 requirements of contracts entered into by the secretary, relating to set-  
588 asides for small contractors and minority business enterprises and  
589 required efforts to hire available and qualified members of minorities,  
590 as defined in section 32-9n, and available and qualified residents of the  
591 town of East Hartford and the city of Hartford for jobs in such  
592 operations. Such officer shall file, each year during the period of  
593 stadium facility operations, a written report with the secretary as to  
594 findings and recommendations regarding such compliance.

595 Sec. 15. Section 32-655b of the general statutes is repealed and the  
596 following is substituted in lieu thereof (*Effective from passage*):

597 The master development plan may be modified by the secretary  
598 after May 2, 2000, to the extent determined by the secretary to be

599 necessary or desirable in light of unforeseen conditions or  
600 circumstances, including, without limitation, economic or market  
601 conditions or development or cost constraints, provided (1) no such  
602 modification shall be inconsistent with any requirements of subsection  
603 [(d)] (c) of section 32-605, as amended by this act, or sections 32-650 to  
604 32-668, inclusive, and (2) in the event that the secretary determines that  
605 any such modification in the master development plan would result in  
606 a material change in the purpose or character of the stadium facility,  
607 the related parking facilities or the convention center, such  
608 modification shall not become effective unless and until (A) the  
609 secretary has filed with the house and senate clerks, for transmittal to  
610 the joint standing committee of the General Assembly having  
611 cognizance of matters relating to finance, revenue and bonding, a  
612 description of such modification in reasonable detail, and (B) such  
613 committee shall either have (i) approved such modification, or (ii)  
614 failed to reject such modification within thirty days of the date of filing  
615 by the secretary of the description of such modification with the house  
616 and senate clerks.

617 Sec. 16. Subsection (i) of section 32-656 of the general statutes is  
618 repealed and the following is substituted in lieu thereof (*Effective from*  
619 *passage*):

620 (i) The secretary and the authority shall jointly select and appoint an  
621 independent construction contract compliance officer or agent, which  
622 may be an officer or agency of a political subdivision of the state, other  
623 than the authority, or a private consultant experienced in similar  
624 public contract compliance matters, to monitor compliance by the  
625 secretary, the authority, the project manager and each prime  
626 construction contractor with the provisions of applicable state law,  
627 including subdivision (1) of section 12-412, subsection (a) of section 12-  
628 498, sections 12-541 and 13a-25, subdivision (1) of section 22a-134,  
629 section 32-600, subsection (d) of section 32-602, subsection [(d)] (c) of  
630 section 32-605, as amended by this act, section 32-610, subsections (a)  
631 and (b) of section 32-614, sections 32-617, 32-617a, 32-650, 32-651 to 32-  
632 658, inclusive, as amended by this act, 32-660 and 32-661, subsection

633 (b) of section 32-662, section 32-663, subsections (j) to (l), inclusive, of  
634 section 32-664, sections 32-665 to 32-666a, inclusive, sections 32-668 and  
635 48-21 and sections 29 and 30 of public act 00-140, and with applicable  
636 requirements of contracts with the secretary or the authority, relating  
637 to set-asides for small contractors and minority business enterprises  
638 and required efforts to hire available and qualified members of  
639 minorities and available and qualified residents of the city of Hartford  
640 and the town of East Hartford for construction jobs with respect to the  
641 overall project and the on-site related private development. Such  
642 independent contract compliance officer or agent shall file a written  
643 report of his or her findings and recommendations with the secretary  
644 and the authority each quarter during the period of project  
645 development.

646 Sec. 17. Section 1-82 of the 2018 supplement to the general statutes is  
647 repealed and the following is substituted in lieu thereof (*Effective*  
648 *October 1, 2018*):

649 (a) (1) Upon the complaint of any person on a form prescribed by  
650 the board, signed under penalty of false statement, or upon its own  
651 complaint, the ethics enforcement officer of the Office of State Ethics  
652 shall investigate any alleged violation of this part, section 1-101bb or  
653 section 1-101nn. Not later than five days after the receipt or issuance of  
654 such complaint, the board shall provide notice of such receipt or  
655 issuance and a copy of the complaint by registered or certified mail to  
656 any respondent against whom such complaint is filed and shall  
657 provide notice of the receipt of such complaint to the complainant.  
658 When the ethics enforcement officer of the Office of State Ethics  
659 undertakes an evaluation of a possible violation of this part, section 1-  
660 101bb or section 1-101nn prior to the filing of a complaint, the subject  
661 of the evaluation shall be notified not later than five business days  
662 after an Office of State Ethics staff member's first contact with a third  
663 party concerning the matter.

664 (2) In the conduct of its investigation of an alleged violation of this  
665 part, section 1-101bb or section 1-101nn, the Office of State Ethics shall

666 have the power to hold hearings, administer oaths, examine witnesses  
667 and receive oral and documentary evidence. The Office of State Ethics  
668 may subpoena witnesses under procedural rules adopted by the  
669 Citizen's Ethics Advisory Board as regulations in accordance with the  
670 provisions of chapter 54 to compel attendance before the Office of State  
671 Ethics and to require the production for examination by the ethics  
672 enforcement officer of the Office of State Ethics of any books and  
673 papers which the Office of State Ethics deems relevant in any matter  
674 under investigation or in question, provided any such subpoena is  
675 issued either pursuant to a majority vote of the Citizen's Ethics  
676 Advisory Board or pursuant to the signature of the chairperson of such  
677 board. The vice-chairperson of such board may sign any such  
678 subpoena if the chairperson of such board is unavailable. In the  
679 exercise of such powers, the Office of State Ethics may use the services  
680 of the state police, who shall provide the same upon the office's  
681 request. The Office of State Ethics shall make a record of all  
682 proceedings conducted pursuant to this subsection. The ethics  
683 enforcement officer of the Office of State Ethics may bring any alleged  
684 violation of this part before a judge trial referee assigned by the Chief  
685 Court Administrator for such purpose for a probable cause hearing.  
686 Such judge trial referee shall be compensated in accordance with the  
687 provisions of section 52-434 from such funds as may be available to the  
688 Office of State Ethics. Any witness summoned before the Office of  
689 State Ethics or a judge trial referee pursuant to this subsection shall  
690 receive the witness fee paid to witnesses in the courts of this state.  
691 During any investigation conducted pursuant to this subsection or any  
692 probable cause hearing conducted pursuant to this subsection, the  
693 respondent shall have the right to appear and be heard and to offer  
694 any information which may tend to clear the respondent of probable  
695 cause to believe the respondent has violated any provision of this part,  
696 section 1-101bb or section 1-101nn. The respondent shall also have the  
697 right to be represented by legal counsel and to examine and cross-  
698 examine witnesses. Not later than ten days prior to the commencement  
699 of any hearing conducted pursuant to this subsection, the Office of  
700 State Ethics shall provide the respondent with a list of its intended

701 witnesses. Any finding of probable cause to believe the respondent is  
702 in violation of any provisions of this part shall be made by a judge trial  
703 referee not later than thirty days after the ethics enforcement officer  
704 brings such alleged violation before such judge trial referee, except that  
705 such thirty-day limitation period shall not apply if the judge trial  
706 referee determines that good cause exists for extending such limitation  
707 period.

708 (b) If a judge trial referee determines that probable cause exists for  
709 the violation of a provision of this part, section 1-101bb or section 1-  
710 101nn, the board shall initiate hearings to determine whether there has  
711 been a violation of this part, section 1-101bb or section 1-101nn. Any  
712 such hearing shall be initiated by the board not later than thirty days  
713 after the finding of probable cause by a judge trial referee and shall be  
714 concluded not later than ninety days after its initiation, except that  
715 such thirty or ninety-day limitation period shall not apply if the judge  
716 trial referee determines that good cause exists for extending such  
717 limitation period. A judge trial referee, who has not taken part in the  
718 probable cause determination on the matter shall be assigned by the  
719 Chief Court Administrator and shall be compensated in accordance  
720 with section 52-434 out of funds available to the Office of State Ethics.  
721 Such judge trial referee shall preside over such hearing and rule on all  
722 issues concerning the application of the rules of evidence, which shall  
723 be the same as in judicial proceedings. The judge trial referee shall  
724 have no vote in any decision of the board. All hearings of the board  
725 held pursuant to this subsection shall be open. At such hearing the  
726 board shall have the same powers as the Office of State Ethics under  
727 subsection (a) of this section and the respondent shall have the right to  
728 be represented by legal counsel, to compel attendance of witnesses and  
729 the production of books, documents, records and papers and to  
730 examine and cross-examine witnesses. Not later than ten days prior to  
731 the commencement of any hearing conducted pursuant to this  
732 subsection, the Office of State Ethics shall provide the respondent with  
733 a list of its intended witnesses. The judge trial referee shall, while  
734 engaged in the discharge of the duties as provided in this subsection,  
735 have the same authority as is provided in section 51-35 over witnesses

736 who refuse to obey a subpoena or to testify with respect to any matter  
737 upon which such witness may be lawfully interrogated, and may  
738 commit any such witness for contempt for a period no longer than  
739 thirty days. The Office of State Ethics shall make a record of all  
740 proceedings pursuant to this subsection. During the course of any such  
741 hearing, no ex-parte communication shall occur between the board, or  
742 any of its members, and: (1) The judge trial referee, or (2) any staff  
743 member of the Enforcement Division of the Office of State Ethics,  
744 concerning the complaint or the respondent. The board shall find no  
745 person in violation of any provision of this part, section 1-101bb or  
746 section 1-101nn except upon the concurring vote of two-thirds of its  
747 members present and voting. No member of the board shall vote on  
748 the question of whether a violation of any provision of this part has  
749 occurred unless such member was physically present for the duration  
750 of any hearing held pursuant to this subsection. Not later than fifteen  
751 days after the public hearing conducted in accordance with this  
752 subsection, the board shall publish its finding and a memorandum of  
753 the reasons therefor. Such finding and memorandum shall be deemed  
754 to be the final decision of the board on the matter for the purposes of  
755 chapter 54. The respondent, if aggrieved by the finding and  
756 memorandum, may appeal therefrom to the Superior Court in  
757 accordance with the provisions of section 4-183.

758 (c) If a judge trial referee finds, after a hearing pursuant to this  
759 section, that there is no probable cause to believe that a public official  
760 or state employee has violated a provision of this part, section 1-101bb  
761 or section 1-101nn, or if the board determines that a public official or  
762 state employee has not violated any such provision, or if a court of  
763 competent jurisdiction overturns a finding by the board of a violation  
764 by such a respondent, the state shall pay the reasonable legal expenses  
765 of the respondent as determined by the Attorney General or by the  
766 court if appropriate. If any complaint brought under the provisions of  
767 this part, section 1-101bb or section 1-101nn is made with the  
768 knowledge that it is made without foundation in fact, the respondent  
769 shall have a cause of action against the complainant for double the  
770 amount of damage caused thereby and, if the respondent prevails in



771 such action, [he] the respondent may be awarded by the court the costs  
772 of such action together with reasonable attorneys' fees.

773 (d) No complaint may be made under this section later than five  
774 years after the violation alleged in the complaint has been committed.

775 (e) No person shall take or threaten to take official action against an  
776 individual for such individual's disclosure of information to the board  
777 or the general counsel, ethics enforcement officer or staff of the Office  
778 of State Ethics under the provisions of this part, section 1-101bb or  
779 section 1-101nn. After receipt of information from an individual under  
780 the provisions of this part, section 1-101bb or section 1-101nn, the  
781 Office of State Ethics shall not disclose the identity of such individual  
782 without such individual's consent unless the Office of State Ethics  
783 determines that such disclosure is unavoidable during the course of an  
784 investigation. No person shall be subject to civil liability for any good  
785 faith disclosure that such person makes to the Office of State Ethics.

786 Sec. 18. Subsection (a) of section 1-82a of the general statutes is  
787 repealed and the following is substituted in lieu thereof (*Effective*  
788 *October 1, 2018*):

789 (a) Unless a judge trial referee makes a finding of probable cause, a  
790 complaint alleging a violation of this part, section 1-101bb or section 1-  
791 101nn shall be confidential except upon the request of the respondent.  
792 An evaluation of a possible violation of this part, section 1-101bb or  
793 section 1-101nn by the Office of State Ethics prior to the filing of a  
794 complaint shall be confidential except upon the request of the subject  
795 of the evaluation. If the evaluation is confidential, any information  
796 supplied to or received from the Office of State Ethics shall not be  
797 disclosed to any third party by a subject of the evaluation, a person  
798 contacted for the purpose of obtaining information or by the ethics  
799 enforcement officer or staff of the Office of State Ethics. No provision  
800 of this subsection shall prevent the Office of State Ethics from  
801 reporting the possible commission of a crime to the Chief State's  
802 Attorney or other prosecutorial authority.

803 Sec. 19. Section 1-88 of the 2018 supplement to the general statutes is  
804 repealed and the following is substituted in lieu thereof (*Effective*  
805 *October 1, 2018*):

806 (a) The board, upon a finding made pursuant to section 1-82, as  
807 amended by this act, that there has been a violation of any provision of  
808 this part, section 1-101bb or section 1-101nn, shall have the authority to  
809 order the violator to do any or all of the following: (1) Cease and desist  
810 the violation of this part, section 1-101bb or section 1-101nn; (2) file any  
811 report, statement or other information as required by this part, section  
812 1-101bb or section 1-101nn; and (3) pay a civil penalty of not more than  
813 ten thousand dollars for each violation of this part, section 1-101bb or  
814 section 1-101nn.

815 (b) Notwithstanding the provisions of subsection (a) of this section,  
816 the board may, after a hearing conducted in accordance with sections  
817 4-176e to 4-184, inclusive, upon the concurring vote of two-thirds of its  
818 members present and voting, impose a civil penalty not to exceed ten  
819 dollars per day upon any individual who fails to file any report,  
820 statement or other information as required by this part, section 1-101bb  
821 or section 1-101nn. Each distinct violation of this subsection shall be a  
822 separate offense and in case of a continued violation, each day thereof  
823 shall be deemed a separate offense. In no event shall the aggregate  
824 penalty imposed for such failure to file exceed ten thousand dollars.

825 (c) The board may also report its finding to the Chief State's  
826 Attorney for any action deemed necessary. The board, upon a finding  
827 made pursuant to section 1-82, as amended by this act, that a member  
828 or member-elect of the General Assembly has violated any provision of  
829 this part, section 1-101bb or section 1-101nn, shall notify the  
830 appropriate house of the General Assembly, in writing, of such finding  
831 and the basis for such finding.

832 (d) Any person who knowingly acts in such person's financial  
833 interest in violation of section 1-84, 1-85, 1-86, 1-86d, 1-86e or 1-101nn  
834 or any person who knowingly receives a financial advantage resulting  
835 from a violation of any of said sections shall be liable for damages in

836 the amount of such advantage. If the board determines that any person  
837 may be so liable, it shall immediately inform the Attorney General of  
838 that possibility.

839 (e) Any employee of the Office of State Ethics or member of the  
840 Citizen's Ethics Advisory Board who, in violation of this part or section  
841 1-101nn, discloses information filed in accordance with subparagraph  
842 (F) of subdivision (1) of subsection (b) of section 1-83, shall be  
843 dismissed, if an employee, or removed from the board, if a member.

844 (f) Any civil penalty imposed by the board pursuant to this section  
845 may be enforced by the Office of State Ethics as a money judgment in  
846 accordance with chapter 906.

847 Sec. 20. Section 1-89 of the general statutes is repealed and the  
848 following is substituted in lieu thereof (*Effective October 1, 2018*):

849 (a) (1) Any person who intentionally violates any provision of this  
850 part, section 1-101bb or section 1-101nn shall, [(1)] for a first violation,  
851 be guilty of a class A misdemeanor, [except that, if] unless subdivision  
852 (2) of this subsection is applicable.

853 (2) If, for a first violation, such person derives a financial benefit of  
854 one thousand dollars or more as a result of such violation, such person  
855 shall be guilty of a class D felony. [, and (2) for]

856 (3) For a second or subsequent violation, such person shall be guilty  
857 of a class D felony. [, provided no]

858 (4) No person may be found guilty of a violation of subsection (f) or  
859 (g) of section 1-84 and bribery or bribe receiving under section 53a-147  
860 or 53a-148 upon the same incident, but such person may be charged  
861 and prosecuted for all or any of such offenses upon the same  
862 information.

863 (b) The penalties prescribed in this part or section 1-101nn shall not  
864 limit the power of either house of the legislature to discipline its own  
865 members or impeach a public official, and shall not limit the power of

866 agencies or commissions to discipline their officials or employees.

867 (c) The Attorney General may bring a civil action against any person  
868 who knowingly acts in the person's financial interest in, or knowingly  
869 receives a financial advantage resulting from, a violation of section 1-  
870 84, 1-85, 1-86, 1-101bb or 1-101nn. In any such action, the Attorney  
871 General may, in the discretion of the court, recover any financial  
872 benefit that accrued to the person as a result of such violation and  
873 additional damages in an amount not exceeding twice the amount of  
874 the actual damages.

875 (d) Any fines, penalties or damages paid, collected or recovered  
876 under section 1-88, as amended by this act, or this section for a  
877 violation of any provision of this part or section 1-101bb or 1-101nn  
878 applying to the office of the Treasurer shall be deposited on a pro rata  
879 basis in any trust funds, as defined in section 3-13c, affected by such  
880 violation.

881 Sec. 21. Section 1-93 of the 2018 supplement to the general statutes is  
882 repealed and the following is substituted in lieu thereof (*Effective*  
883 *October 1, 2018*):

884 (a) (1) Upon the complaint of any person on a form prescribed by  
885 the Office of State Ethics, signed under penalty of false statement, or  
886 upon its own complaint, the ethics enforcement officer of the Office of  
887 State Ethics shall investigate any alleged violation of this part or  
888 section 1-101bb. Not later than five days after the receipt or issuance of  
889 such complaint, the Office of State Ethics shall provide notice of such  
890 receipt or issuance and a copy of the complaint by registered or  
891 certified mail to any respondent against whom such complaint is filed  
892 and shall provide notice of the receipt of such complaint to the  
893 complainant. When the Office of State Ethics undertakes an evaluation  
894 of a possible violation of this part or section 1-101bb prior to the filing  
895 of a complaint, the subject of the evaluation shall be notified not later  
896 than five business days after a staff member of the Office of State  
897 Ethics undertakes the first contact with a third party concerning the  
898 matter.

899 (2) In the conduct of its investigation of an alleged violation of this  
900 part, the Office of State Ethics shall have the power to hold hearings,  
901 administer oaths, examine witnesses and receive oral and  
902 documentary evidence. The Office of State Ethics may subpoena  
903 witnesses under procedural rules adopted by the Citizen's Ethics  
904 Advisory Board as regulations in accordance with the provisions of  
905 chapter 54 to compel attendance before the Office of State Ethics and to  
906 require the production for examination by the ethics enforcement  
907 officer of the Office of State Ethics of any books and papers which the  
908 ethics enforcement officer of the Office of State Ethics deems relevant  
909 in any matter under investigation or in question, provided any such  
910 subpoena is issued either pursuant to a majority vote of the Citizen's  
911 Ethics Advisory Board or pursuant to the signature of the chairperson  
912 of such board. The vice-chairperson of such board may sign any such  
913 subpoena if the chairperson of such board is unavailable. In the  
914 exercise of such powers, the Office of State Ethics may use the services  
915 of the state police, who shall provide the same upon the office's  
916 request. The Office of State Ethics shall make a record of all  
917 proceedings conducted pursuant to this subsection. Any witness  
918 summoned before the Office of State Ethics or a judge trial referee  
919 pursuant to this subsection shall receive the witness fee paid to  
920 witnesses in the courts of this state. The ethics enforcement officer of  
921 the Office of State Ethics may bring any alleged violation of this part or  
922 section 1-101bb before a judge trial referee assigned by the Chief Court  
923 Administrator for such purpose for a probable cause hearing. Such  
924 judge trial referee shall be compensated in accordance with the  
925 provisions of section 52-434 from such funds as may be available to the  
926 Office of State Ethics. The respondent shall have the right to appear at  
927 any hearing held pursuant to this subsection and be heard and to offer  
928 any information which may tend to clear the respondent of probable  
929 cause to believe the respondent has violated any provision of this part  
930 or section 1-101bb. The respondent shall also have the right to be  
931 represented by legal counsel and to examine and cross-examine  
932 witnesses. Not later than ten days prior to the commencement of any  
933 hearing conducted pursuant to this subsection, the Office of State

934 Ethics shall provide the respondent with a list of its intended  
935 witnesses. Any finding of probable cause to believe the respondent is  
936 in violation of any provision of this part or section 1-101bb shall be  
937 made by a judge trial referee not later than thirty days after the ethics  
938 enforcement officer brings such alleged violation before such judge  
939 trial referee, except that such thirty-day limitation period shall not  
940 apply if the judge trial referee determines that good cause exists for  
941 extending such limitation period.

942 (b) If a judge trial referee indicates that probable cause exists for the  
943 violation of a provision of this part or section 1-101bb, the board shall  
944 initiate hearings to determine whether there has been a violation of  
945 this part or section 1-101bb. Any such hearing shall be initiated by the  
946 board not later than thirty days after the finding of probable cause by a  
947 judge trial referee and shall be concluded not later than ninety days  
948 after its initiation, except that such thirty-day or ninety-day limitation  
949 period shall not apply if the judge trial referee determines that good  
950 cause exists for extending such limitation period. A judge trial referee,  
951 who has not taken part in the probable cause determination on the  
952 matter shall be assigned by the Chief Court Administrator and shall be  
953 compensated in accordance with section 52-434 out of funds available  
954 to the board. Such judge trial referee shall preside over such hearing  
955 and rule on all issues concerning the application of the rules of  
956 evidence, which shall be the same as in judicial proceedings. The judge  
957 trial referee shall have no vote in any decision of the board. All  
958 hearings of the board held pursuant to this subsection shall be open.  
959 At such hearing the board shall have the same powers as the Office of  
960 State Ethics under subsection (a) of this section and the respondent  
961 shall have the right to be represented by legal counsel, to compel  
962 attendance of witnesses and the production of books, documents,  
963 records and papers and to examine and cross-examine witnesses. Not  
964 later than ten days prior to the commencement of any hearing  
965 conducted pursuant to this subsection, the Office of State Ethics shall  
966 provide the respondent with a list of its intended witnesses. The judge  
967 trial referee shall, while engaged in the discharge of the duties as  
968 provided in this subsection, have the same authority as is provided in

969 section 51-35 over witnesses who refuse to obey a subpoena or to  
970 testify with respect to any matter upon which such witness may be  
971 lawfully interrogated, and may commit any such witness for contempt  
972 for a period no longer than thirty days. The Office of State Ethics shall  
973 make a record of all proceedings pursuant to this subsection. During  
974 the course of any such hearing, no ex-parte communication shall occur  
975 between the board, or any of its members, and: (1) The judge trial  
976 referee, or (2) any staff member of the Enforcement Division of the  
977 Office of State Ethics, concerning the complaint or the respondent. The  
978 board shall find no person in violation of any provision of this part or  
979 section 1-101bb except upon the concurring vote of two-thirds of its  
980 members present and voting. No member of the board shall vote on  
981 the question of whether a violation of any provision of this part or  
982 section 1-101bb has occurred unless such member was physically  
983 present for the duration of any hearing held pursuant to this  
984 subsection. Not later than fifteen days after the public hearing  
985 conducted in accordance with this subsection, the board shall publish  
986 its finding and a memorandum of the reasons therefor. Such finding  
987 and memorandum shall be deemed to be the final decision of the  
988 board on the matter for the purposes of chapter 54. The respondent, if  
989 aggrieved by the finding and memorandum, may appeal therefrom to  
990 the Superior Court in accordance with the provisions of section 4-183.

991 (c) If any complaint brought under the provisions of this part or  
992 section 1-101bb is made with the knowledge that it is made without  
993 foundation in fact, the respondent shall have a cause of action against  
994 the complainant for double the amount of damage caused thereby and  
995 if the respondent prevails in such action, the respondent may be  
996 awarded by the court the costs of such action together with reasonable  
997 attorneys' fees.

998 (d) No complaint may be made under this section except within five  
999 years next after the violation alleged in the complaint has been  
1000 committed.

1001 (e) No person shall take or threaten to take official action against an

1002 individual for such individual's disclosure of information to the board  
1003 or the general counsel, ethics enforcement officer or staff of the Office  
1004 of State Ethics under the provisions of this part or section 1-101bb.  
1005 After receipt of information from an individual under the provisions of  
1006 this part, the Office of State Ethics shall not disclose the identity of  
1007 such individual without such person's consent unless the Office of  
1008 State Ethics determines that such disclosure is unavoidable during the  
1009 course of an investigation.

1010 Sec. 22. Subsection (c) of section 1-97 of the general statutes is  
1011 repealed and the following is substituted in lieu thereof (*Effective*  
1012 *October 1, 2018*):

1013 (c) No lobbyist may: (1) Do anything with the purpose of placing  
1014 any public official under personal obligation; (2) attempt to influence  
1015 any legislative or administrative action for the purpose of thereafter  
1016 being employed to secure its defeat; (3) cause any communication to be  
1017 sent to any public official in the name of any other individual except  
1018 with the consent of such individual; or (4) be retained as a lobbyist by a  
1019 state agency or quasi-public agency.

1020 Sec. 23. Subsection (c) of section 5-164a of the general statutes is  
1021 repealed and the following is substituted in lieu thereof (*Effective July*  
1022 *1, 2018*):

1023 (c) No member reemployed under this section or under section 5-  
1024 164 or elected to serve in the General Assembly or otherwise  
1025 reentering state service shall receive a retirement income during such  
1026 member's reemployment or other state service except (1) if such  
1027 member's services as an employee are rendered for not more than  
1028 [ninety] one hundred twenty working days in any one calendar year,  
1029 provided that any member reemployed for a period of more than  
1030 [ninety] one hundred twenty working days in one calendar year shall  
1031 reimburse the state retirement fund for retirement income payments  
1032 received during such [ninety] one hundred twenty working days; (2) if  
1033 such member's services are as a member of the General Assembly or as  
1034 a sessional employee of the General Assembly during the regular



1035 legislative session, such member's retirement income payments shall  
1036 not be suspended; or (3) if such member's preretirement services which  
1037 counted towards retirement are other than as a special deputy sheriff  
1038 pursuant to chapter 78, and if such member's postretirement services  
1039 are as a special deputy sheriff or, on and after December 1, 2000, as a  
1040 judicial marshal and such member was employed as a special deputy  
1041 sheriff on July 1, 1999.

1042 Sec. 24. Section 38a-882 of the general statutes is repealed and the  
1043 following is substituted in lieu thereof (*Effective July 1, 2018*):

1044 (a) The Insurance Department shall maintain the Brokered  
1045 Transactions Guaranty Fund at a level not to exceed [five] one  
1046 hundred thousand dollars and to this intent moneys received under  
1047 section 38a-881 shall be credited to such guaranty fund whenever the  
1048 fund balance is below [five] one hundred thousand dollars and any  
1049 such moneys may be invested or reinvested in the same manner as  
1050 funds of the state employees retirement system, and the interest  
1051 arising from such investments shall be credited to the General Fund.  
1052 Any moneys received under section 38a-881 not required to maintain  
1053 such guaranty fund balance shall be deposited to the General Fund. All  
1054 moneys in such guaranty fund in excess of [five] one hundred  
1055 thousand dollars shall be transferred by the Treasurer to the General  
1056 Fund.

1057 (b) If, at any time, the amount deposited in the Brokered  
1058 Transactions Guaranty Fund is under one hundred thousand dollars,  
1059 the department, in its discretion, may assess all persons licensed as  
1060 insurance producers a fee not to exceed ten dollars which shall be  
1061 credited to said guaranty fund.

1062 Sec. 25. (*Effective from passage*) Not later than January 1, 2019, the  
1063 Commissioner of Early Childhood shall make recommendations, in  
1064 accordance with the provisions of section 11-4a of the general statutes,  
1065 to the joint standing committee of the General Assembly having  
1066 cognizance of matters relating to education, on how a precertification  
1067 process could be implemented for prospective employees of a child

1068 day care center or group day care home in lieu of the current  
 1069 background check requirement set forth in subsection (c) of section  
 1070 19a-80 of the general statutes.

1071 Sec. 26. Sections 6-33, 6-33a, 6-36, 6-38j and 6-38l of the general  
 1072 statutes are repealed. (*Effective from passage*)

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	2-90(e)
Sec. 2	<i>October 1, 2018</i>	4-33a
Sec. 3	<i>October 1, 2018</i>	1-101pp
Sec. 4	<i>October 1, 2018</i>	4-37f(8)
Sec. 5	<i>October 1, 2018</i>	4-37g(b)
Sec. 6	<i>from passage</i>	2-90b
Sec. 7	<i>from passage</i>	1-123(a)
Sec. 8	<i>October 1, 2018</i>	New section
Sec. 9	<i>October 1, 2018</i>	4-215
Sec. 10	<i>July 1, 2018</i>	38a-660(k)
Sec. 11	<i>from passage</i>	32-605
Sec. 12	<i>from passage</i>	32-651
Sec. 13	<i>from passage</i>	32-655(a)(14)
Sec. 14	<i>from passage</i>	32-655(c)
Sec. 15	<i>from passage</i>	32-655b
Sec. 16	<i>from passage</i>	32-656(i)
Sec. 17	<i>October 1, 2018</i>	1-82
Sec. 18	<i>October 1, 2018</i>	1-82a(a)
Sec. 19	<i>October 1, 2018</i>	1-88
Sec. 20	<i>October 1, 2018</i>	1-89
Sec. 21	<i>October 1, 2018</i>	1-93
Sec. 22	<i>October 1, 2018</i>	1-97(c)
Sec. 23	<i>July 1, 2018</i>	5-164a(c)
Sec. 24	<i>July 1, 2018</i>	38a-882
Sec. 25	<i>from passage</i>	New section
Sec. 26	<i>from passage</i>	Repealer section

**Statement of Legislative Commissioners:**

In Sec. 4, "fiscal" was added before "year" for consistency and "1986" was changed to "[1986] 2018" for accuracy, and Sec. 14 was added for consistency.

**GAE**      *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

### ***OFA Fiscal Note***

#### ***State Impact:***

<b>Agency Affected</b>	<b>Fund-Effect</b>	<b>FY 19 \$</b>
Brokered Transaction Guaranty Fund	Transfer from	400,000
Resources of the General Fund	GF - Revenue Gain	400,000

Note: GF=General Fund

***Municipal Impact:*** None

#### ***Explanation***

The bill reduces the required amount in the Brokered Transaction Guaranty Fund from \$500,000 to \$100,000 which will result in a one-time revenue gain to the General Fund of \$400,000 in FY 19.

The bill also makes numerous changes to the government administration statutes including: various reporting deadline alterations, mandatory reporting responsibilities on ethics violations, requiring quasi-public agencies to submit a complete set of financial statements as part of their reporting requirements, sole source contract notifications for recommendation, precertification child day care improvements, and enforcement of state agencies from retaining lobbyists. These provisions do not result in a fiscal impact.

#### ***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

**OLR Bill Analysis****sSB 175*****AN ACT IMPLEMENTING THE RECOMMENDATIONS OF THE AUDITORS OF PUBLIC ACCOUNTS.*****SUMMARY**

This bill makes numerous changes in statutes concerning government administration. Among other things, it does the following:

1. allows the auditors of public accounts to (a) delay a full report of certain misuses of state and quasi-public agency funds, including actual or contemplated security breaches, until the subject agency completes its investigation into those activities and (b) permit aggregate reporting by state and quasi-public agencies to the auditors of these activities (§§ 1-2);
2. expands who must report certain suspected ethics violations to the Office of State Ethics (OSE) to include state agencies' human resources directors (§ 3);
3. allows the auditors of public accounts to conduct a full audit of a state agency foundation that did not have its own audit completed (§§ 4-5);
4. requires executive branch agencies to receive approval from the attorney general or governor before making certain payments to departing state employees (§ 8);
5. requires the Office of Policy and Management (OPM) secretary to notify the auditors whenever he receives a state agency's request for a sole source procurement of audit services (§ 9);
6. allows the Office of State Ethics (OSE) to receive complaints and investigate alleged violations of state or quasi-public agencies

retaining lobbyists (§§ 17-22);

7. increases the statutory limit on the number of days each year that retired state employees may be reemployed by the state without reimbursing it for their pension benefits, thus aligning it to existing labor agreements, Office of Labor Relation notices, and Executive Orders (§ 23); and
8. requires the Commissioner of Early Childhood to recommend a precertification process for prospective employees of day care centers or group day homes (§ 25).

The bill also requires the auditors to audit biennially, rather than annually, reimbursements from the Bradley Enterprise Fund to the Department of Emergency Services and Public Protection; the reimbursements support State Police patrols at Bradley Airport (§ 6). It requires quasi-public agencies to include a complete set of financial statements in their annual report to the governor and the auditors; current law requires that they include a balance sheet only (§ 7). Lastly, it (1) eliminates conflicting language related to the Surety Bail Bond Examination Account to clarify that account funds can lapse (§10); (2) reduces, from \$500,000 to \$100,000, the required amount in the Brokered Transaction Guaranty Fund (§24); and (3) repeals obsolete statutes concerning sheriffs (§ 26).

EFFECTIVE DATE: Upon passage, unless otherwise noted below; provisions on the bail bond account (§10) and guaranty fund (§24) take effect July 1, 2018.

## **§§ 1 & 2 — MISUSE OF STATE FUNDS**

Under current law, the auditors of public accounts must immediately report, to the governor, comptroller, House and Senate clerks, and attorney general, any actual or contemplated (1) unauthorized, illegal, irregular, or unsafe handling or expenditure of state agency funds or (2) breakdowns in the safekeeping of any other state agency resources. The bill extends these requirements to quasi-public agency funds and resources.

By law, boards of trustees of state institutions, state agency heads, boards, commissions, other state agencies responsible for state property and funds, and quasi-public agencies must promptly notify the auditors and the comptroller of any misuses of state funds described above. The bill additionally requires them to do so for security data breaches, defined as unauthorized access to or unauthorized acquisition of electronic files, media, databases, or computerized data containing personal information when access has not been encrypted or secured by another method that renders the information unreadable or unusable.

The bill allows the auditors to permit aggregate reporting of any of these matters in a manner and schedule that they determine. In cases where a state or quasi-public agency is still investigating such a matter, and subject to the attorney general's approval, the bill also allows the auditors to give the agency a reasonable period of time to conduct the investigation before the auditors notify the governor, comptroller, and House and Senate clerks. The auditors must immediately notify the attorney general of such a delay.

EFFECTIVE DATE: October 1, 2018, for the provision on the irregular handling of state and quasi-public funds and security breaches (§ 2).

### **§ 3 — REPORTS OF SUSPECTED ETHICS VIOLATIONS**

The bill requires any person in charge of a state agency's human resources to report to OSE when he or she reasonably believes that a person has violated the Code of Ethics for Public Officials or any law or regulation concerning ethics in state contracting. Existing law requires commissioners, deputy commissioners, state or quasi-public agency heads or deputies, and state agency procurement and contracting heads to make such a report.

EFFECTIVE DATE: October 1, 2018

### **§§ 4 & 5 — FOUNDATION AUDITS**

The law requires that certain state agency foundations (i.e.,

nonprofit entities established for fundraising purposes) be audited every year or once every three years depending on their total earnings per fiscal year. The bill increases the threshold for annual audits from \$100,000 to \$250,000, thus generally requiring foundations with receipts and investment earnings under \$250,000 to have audits completed every three years. By law, the audits must be conducted by an independent certified public accountant or, if the agency requests it, by the auditors of public accounts. The bill requires that these audits be completed, and copies submitted to the attorney general and state agency's executive authority, within six months after the audited fiscal year ends. Current law does not establish a submission deadline. The bill allows the auditors of public accounts to conduct a full audit of a foundation that did not have its own audit completed by the six-month deadline.

EFFECTIVE DATE: October 1, 2018

#### **§ 8 — PAYMENTS TO DEPARTING EMPLOYEES**

Beginning October 1, 2018, the bill generally prohibits executive branch agencies, boards, councils, and commissions, including the constituent units of higher education, from making a payment to a departing employee that is intended to avoid litigation costs or is part of a non-disparagement agreement. The bill allows these payments if (1) they are made under a settlement agreement the attorney general enters into on the agency's behalf or (2) the governor, upon the attorney general's recommendation, authorized them to settle a disputed claim by or against the state. It also specifies that, in accordance with the whistleblower or false claims act, any settlement or non-disparagement agreement cannot prohibit an employee from making a complaint or providing information.

EFFECTIVE DATE: October 1, 2018

#### **§ 9 — PERSONAL SERVICE AGREEMENTS (PSA) FOR AUDIT SERVICES**

The bill requires the OPM secretary to notify the auditors of public accounts whenever he receives a request for a sole source purchase for



audit services. He must allow the auditors to review the application and advise him on whether the services are necessary and, if so, could be provided by the auditors. Under existing law, the secretary must allow the auditors to review requests for audit services PSAs that cost more than \$50,000.

EFFECTIVE DATE: October 1, 2018

#### **§§ 11-16 — AUDITS FOR THE CAPITAL REGION DEVELOPMENT AUTHORITY (CRDA)**

The bill eliminates the requirement that CRDA's board of directors (1) contract with a person, firm, or corporation for a compliance audit of the authority's activities in the preceding fiscal year and (2) submit the audit report to governor, auditors of public accounts, and Finance, Revenue and Bonding Committee. Existing law, unchanged by the bill, requires the auditors of public accounts to conduct biennial compliance audits of CRDA.

#### **§§ 17-22 — PROHIBITED LOBBYING ACTIVITIES**

The State Code of Ethics prohibits state or quasi-public agencies from retaining lobbyists. The bill expands OSE's jurisdiction to include violations of this law. It requires OSE to investigate allegations of these lobbying activities and follow the same procedures it uses for alleged ethics code violations. OSE must, among other things, make probable cause determinations and impose penalties for violations. The bill also explicitly prohibits lobbyists, under the Code of Ethics for Lobbyists, from representing a state or quasi-public agency (§22).

EFFECTIVE DATE: October 1, 2018

#### **§ 23 — REEMPLOYMENT OF RETIRED STATE EMPLOYEES**

The bill increases, from 90 days to 120 days, the limit on the number of calendar year days that retired state employees may be reemployed by the state without reimbursing the retirement fund for retirement payments received during reemployment. In doing so, it aligns the statute to existing labor agreements, Office of Labor Relation notices, Governor Rell's Executive Order No. 27-A, and Governor Malloy's

Executive Order No. 3.

EFFECTIVE DATE: July 1, 2018

## **§ 25 — PRECERTIFICATION FOR PROSPECTIVE CHILDCARE EMPLOYEES**

By January 1, 2019, the bill requires the commissioner of the Office of Early Childhood (OEC) to make recommendations to the Education Committee on how to implement a precertification process for prospective employees of day care centers or group day homes in lieu of the current background check requirement (CGS §19a-80(c)). PA 17-2 JSS (§ 174) prohibits unsupervised access to children in child care centers or group child care homes by a prospective employee until (1) a comprehensive background check is completed and (2) permission to work in such childcare setting is granted to the employee by the OEC commissioner.

## **COMMITTEE ACTION**

Government Administration and Elections Committee

Joint Favorable Substitute

Yea 16      Nay 0      (03/09/2018)